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# How to Read the Budget

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The FY 2004 Proposed Budget and Financial Plan serves as a communication tool for policy priorities, agency operations, program/organizational structures, and performance measures. More important, the budget book is a financial plan that provides information concerning sources of revenue and the use of these funds.

It forecasts economic and financial conditions, current and planned long-term debt financing, policy decisions, and other important financial information to operate the District's government. These elements are essential for the sound management of public resources and accurate financial reporting.

*"How to Read the Budget"* describes the sections of this budget volume that define the budget priorities for the District. These sections are consistent with the National Advisory Council on State and Local Budgeting Recommended Budget Practices that call for a presentation of information that provides the reader with a guide to government programs and organizational structure. Additionally, these sections are consistent with the Government Finance Officers Association's standards for the Distinguished Budget Presentation Award.

The FY 2004 Budget and Financial Plan volume is organized into three sections:

**Special Chapters** – This contains several narrative chapters that provide general budget and financial information, including financial plans, revenues, expenditures and other budget related initiatives of the District that serve to inform the reader, at a high level, on the state of the District's finances.

**Agency Chapters** – This lists the budgets for all the District's agencies by appropriation title. Appropriation titles categorize the general areas of services provided by the District on behalf of its citizens. Examples include Public Safety and Justice and Economic Development and Regulation.

**Appendices** – Documents such as the Budget Support Act that explain the budget and execute the FY 2004 budget are here.

Note: In some cases, detail information will not sum to totals due to rounding.

## Special Chapters

### Introduction: FY 2004 Proposed Budget and Financial Plan

This presents a descriptive and graphic summary of the budget and financial plan. It describes the FY 2004 budget development process, describes the sources and uses of public funds, discusses the beginning and ending fund balance, and provides an overview of key priorities for FY 2004.

### Strategic Budgeting

This chapter describes the initiatives that the District is undertaking to improve how it budgets and manages its resources. It describes the District's efforts and progress in performance-based budgeting (PBB), the District's initiative to align resources with results, benchmarking, performance measurement, and strategic business planning. In the FY 2004 proposed budget, 34 agency budgets are presented as PBB agencies. PBB will greatly improve the District's ability to make policy and funding decisions based on anticipated results and improve the District's ability to hold program managers accountable for achieving results.

### Financial Plan

This summarizes planned revenues and expenditures for FY 2004-2009. The chapter includes financing sources and uses and the assumptions used to derive the short-term and long-term economic outlook. It assesses the impact of budgetary decisions on the financial health of the District.

### Revenue

This presents the current revenue projections certified by the Chief Financial Officer. This chapter also addresses the District's revenue sources, its economy, and the outlook for revenue through FY 2006.

### Operating Expenditures

This describes the District's local expenditures in recent years and future projections. It analyzes expenditures between FY 1998 and 2002, both by

agency and by expense category such as personnel, supplies, or fixed costs. Finally, it discusses expenditure projections in FY 2005 through 2007, based on the proposed FY 2004 budget, as presented in the financial plan.

### Capital Improvements Plan (CIP)

The Capital Improvements Plan (CIP) is a comprehensive, annually updated, six-year plan for the development, modernization or replacement of city owned fixed assets. The CIP provides readers with project descriptions and their scope. It also describes the programmatic goals of various District agencies and how these goals impact the need for new, rehabilitated or modernized facilities and systems. Finally, it details the financial impact and requirements of all the District's capital expenditures.

### Agency Budget Chapters

Agency chapters are designed to explicitly illustrate the resources available, what the resources are spent on, and what is achieved with them. Chapters are grouped by appropriation title and contain the following sections:

- Header Information
  - Agency name and code
  - Website address
  - FY 2004 proposed operating budget table
- Introduction
  - Agency mission
  - Strategic result goals
  - "Did you know..." table
- Financial Information
  - "Where the Money Comes From"
  - "How the Money is Allocated" (includes Full-Time Equivalent Employment Levels)
- Program Information
  - Program/Organizational Chart
  - Program Funding (PBB agencies only)
  - Program Descriptions
  - Key Result Measures (PBB only)
- Capital Improvement Plan (Capital agencies only)
  - Capital Improvement Plan funding table

- Performance Accountability Plan
  - Performance measures (non-PBB agencies only)

Changes from the previous year include:

- Website address listed underneath the agency name.
- The term Special Purpose Revenue Funds has replaced the Other Funds or O-Type Funds.
- Revised funding source table is based on revised fund structure. The General Fund is composed of Local and Special Purpose Revenue Funds. Federal Resources include Federal Grants, Medicaid, and Federal Payments. Private resources and Intra-District Funds make up the balance of the District's Gross Funds Budget. Definitions for these terms can be found in the Glossary.
- Because of the rolling implementation of Performance-Based Budgeting (PBB), the year of implementation will impact the amount of performance information presented for an agency. Please keep in mind the following:
  - Non-PBB agencies - Performance data for FY 2001 through 2005.
  - PBB Phase I agencies - Performance data for FY 2003 through 2005.
  - PBB Phase II agencies - Performance data for FY 2004 and 2005. (Note: D.C. Public Schools, which is a Phase II agency, will show data from FY 2002 through 2005).

Each performance measure will have one of the following notations:

- N/A - Measure did not exist in a particular year.
- Number - Measure did exist in a particular year and data is available for that year.
- Dash - Measure did exist in a particular year, but no data is available.
- Program charts for PBB agencies will now include activity level information.

The remaining sections continue from the previous year adjusted only in content to match the new fiscal reality facing the District and its agencies. These sections include:

- An Introductory Section (presented on the first page of each narrative). This includes a chart depicting operating and capital funding (if applicable), the agency's mission statement and strategic goals.
- A "Did You Know..." chart that presents interesting facts about the agency. While not integral to understanding an agency's FY 2004 budget, it does present useful information that informs and provides greater context for understanding an agency and its budget.
- A "Where the Money Comes From" chart. This is a revenue table that shows the sources of funding (i.e., federal, local, private, and other funds).
- A "How the Money is Allocated" section. This section includes an expenditure table by object class (or the reporting level) and a funding narrative that describes overall budget and FTE variances from the prior year and other significant changes at the object class level.

To help the reader navigate the agency narratives with ease, the Department of Employment Services FY 2004 narrative immediately follows.



Agency website address

Agency code

(CFO)

# Department of Employment Services

www.does.dc.gov

Agency name

Description	FY 2003 Approved	FY 2004 Proposed	% Change
Operating Budget	\$95,410,365	\$88,780,132	-6.9

The mission of the Department of Employment Services (DOES) is to provide planning, development, and employment-related services to residents of the Washington metropolitan area so that they can achieve workplace economic stability.

This shows the agency's FY 2003 approved budget, the FY 2004 proposed budget and the variance from FY 2003 to FY 2004.

The Department of Employment Services serves as the primary vehicle for the District of Columbia to develop a world-class workforce, as well as a work environment that supports a sound economic foundation for families, individuals, and the community. It accomplishes this by planning, developing, and administering effective and efficient employment and employment-related services. These services include employment and training opportunities, labor market information, timely benefit payments to eligible unemployed individuals and injured workers, counseling and supportive services, and promotion of healthy and productive work-

places. The agency plans to achieve the following:

This describes the agency's mission and purpose.

- Establish a 90 percent technology (IT) system and redundancy within IT; 10 percent reduction in current information paper document usage and storage; establish a data warehouse that incorporates 60 percent of current separate databases; and provide electronic access to services for 75 percent of customers (target date: end of FY 2005).
- Develop succession/knowledge retention plans for 90 percent of defined mission-critical functions and continue to provide training programs for at least 20 percent of the department's workforce per year to ensure that personnel have the skills and abilities to successfully fulfill agency objectives (target date: end of FY 2005).
- Enhance employability and reduce the skill gap between available capabilities through a 10 percent increase in personnel preparation an annual su-

This reflects the strategic result goals for the agency to be accomplished within two to three years.

## Did you know...

Telephone (202) 724-1234

In FY 2002, the department expanded the One-Stop Career Center system by opening the Business Improvement District (BID) Center, the A. Philip Randolph/DOES Satellite Center, and the Business Resource Center.

In FY 2002, the Passport-to-Work youth summer program successfully placed 6,082 District youth in summer jobs.

The Unemployment Compensation Modernization Act was passed by the City Council in June 2002. This legislation will enhance and streamline service delivery to unemployed District residents.

Interesting facts about the agency.

## Where the Money Comes From

Table CFO-1 shows the sources of funding for the Department of Employment Services.

Table CFO-1

### FY 2004 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

	00000	0000	000000	000000	0000	0000
	00000	00000	00000	00000	0000	0000
Local Fund	12,289	8,419	10,739	11,369	628	5.9
Special Purpose Revenue Fund	14,196	15,527	21,806	20,771	-1,035	4.7
<b>Total for General Fund</b>	<b>26,485</b>	<b>23,946</b>	<b>32,545</b>	<b>32,139</b>	<b>405</b>	<b>-1.2</b>
Federal Grant	33,737	47,679	54,947	49,242	5,705	-10.4
<b>Total for Federal Resources</b>	<b>33,737</b>	<b>47,679</b>	<b>54,947</b>	<b>49,242</b>	<b>5,705</b>	<b>-10.4</b>
Private Grant Fund	-164	-215	109	0	-109	-100.0
<b>Total for Private Funds</b>	<b>-164</b>	<b>-215</b>	<b>109</b>	<b>0</b>	<b>-109</b>	<b>-100.0</b>
	7600	7912	7809	7400	409	5.2
	7600	7912	7809	7400	409	5.2
	67658	79,321	95,410	88,780	6,630	6.9

This presents the agency's total operating budget from each funding source (local revenue, federal and private grants, other revenue and Intra-District). A comparison of the FY 2001 Actual, FY 2002 Actual, FY 2003 Approved, FY 2004 Proposed budget and the change from FY 2003 is presented.

comprehensive increasing a 10 percent increase in wage-hour audits; and a 10 percent increase in safety consultations (for date: end of FY 2000).

### Gross Funds

The proposed budget is \$88,780,132, representing a decrease of 6.9 percent from the FY 2003 Gross Funds Budget of \$95,410,366. There are 612 FTEs for the agency; an increase of 12 FTEs over the FY 2003.

### General Fund

**Local Funds:** The proposed Local budget is \$11,367,677, an increase of \$628,428 over the FY 2003 Approved Budget of \$10,739,249. The change includes \$150,000 transferred to the State Education Office (SEO) for educational licensure function and \$269,977 to the Office of the Risk Management for OSH function. There are 35 FTEs funded by local sources, which represents a reduction of 4 FTEs from FY 2003.

Reduction of 4 FTEs represents the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk Management. A net decrease of \$280,050 in regular pay represents the fact that some positions within

### Local Funds

This describes the local dollars or general fund dollars associated with the agency and the FTEs supported by the fund. Local dollars consist of both tax and nontax revenues that are not earmarked for particular purposes and are allocated to fund District programs.

2004

- A net reduction of \$15,608 in additional gross pay is to cover the expected overtime pay in FY 2004. Of this amount, a reduction of \$2,000 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management.
- A net reduction of \$14,632 in fringe benefits

FY 2004 Proposed Budget and Financial Plan

## How the Money is Allocated

Tables CF0-2 and 3 show the FY 2004 proposed budget for the agency at the Comptroller Source Group (Object Class level) and FTEs by fund type.

Table CF0-2

### FY 2004 Proposed Operating Budget, by Comptroller Source Group (dollars in thousands)

	FY 2002	FY 2003	FY 2004	Change	% Change
11 Regular Pay - Control Time	20,799	23,277	23,292	215	0.9
12 Regular Pay - Other	1,941	787	2,396	1,609	204.6
13 Additional Gross Pay	591	253	334	81	31.6
14 Fringe Benefits - Our Personnel	3,822	4,054	4,035	-19	-0.5
15 Overtime Pay	0	418	0	-418	-100.0
<b>Subtotal Personal Services (PS)</b>	<b>27,162</b>	<b>28,789</b>	<b>30,118</b>	<b>1,329</b>	<b>4.6</b>
20 Supplies And Materials	490	822	663	-159	-19.3
30 Energy, Comm. And Bldg Rentals	745	-193	233	426	220.7
31 Telephone, Telegraph, Telegram, Etc	849	1,061	1,118	57	5.4
32 Rental - Land And Structures	1,555	1,540	7,255	5,715	371.1
33 Janitorial Services	398	1	0	-397	-99.7
34 Security Service	754	1,125	1,036	-89	-7.9
40 Other Service And Charge	8,398	10,992	15,659	4,667	42.5
41 Contractual Services - Other	3,575	3,137	0	-3,137	-100.0
50 Subsidies And Transfers	18,651	29,572	35,915	6,343	21.4
70 Equipment & Equipment Rental	4,822	2,275	2,393	118	5.2
<b>Subtotal Nonpersonal Service (NPS)</b>	<b>40,515</b>	<b>50,532</b>	<b>65,292</b>	<b>14,760</b>	<b>29.2</b>
<b>Total Proposed Operating Budget</b>	<b>67,677</b>	<b>79,321</b>	<b>95,410</b>	<b>16,089</b>	<b>20.3</b>

due to an increase of \$25,156 for step/grade increases in prior year and a reduction of \$39,790 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management.

- A net increase of \$15,200 in overtime pay represents a reallocation from additional gross pay to cover expected overtime payments in FY 2004. A decrease of \$2,000 reflects the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management.
- A net increase of \$700 in supplies to meet the agency needs. A decrease of \$2,000 reflects

the transfer of Office of Occupational, Safety and Health (OSH) function to the Office of the Risk management.

- A net increase of \$600,360 in fixed costs to meet the OPRM estimate. Of this increased amount, \$752,407 represents OPRM increase to fixed costs, a decrease of \$20,000 for OSH transfer and a reduction of \$73,000 reflects gap-closing measures for FY 2004.
- A net increase of \$10,171 in other services and charges reflects increased obligations. Of this amount, a reduction of \$6,000 represents OSH transfer and \$11,002 for FY 2004 gap-closing measures.
- A net increase of \$105,002 in subsidies and transfers reflects increased obligations. Of this

## "How the Money is Allocated"

This part of the narrative presents the agency's expenditures and full-time equivalent (FTE) positions for two prior years, the current year, and upcoming fiscal year at the Comptroller Source Group (Object Class) level.

This lists the agency's expenditures for two prior years, the current year, and upcoming fiscal year at the Comptroller Source Group (Object Class) level.

Table CRR-3

**FY 2004 Full-Time Equivalent Employment Levels**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
<b>Local Fund</b>	42	115	38	35	-4	-10.3
<b>Special Purpose Revenue Fund</b>	120	115	157	152	-5	-3.3
<b>Total for General Fund</b>	162	231	195	187	-9	-4.7
<b>Federal Resources</b>						
<b>Federal Grant</b>	327	274	365	387	22	5.9
<b>Total for Federal Resources</b>	327	274	365	387	22	5.9
<b>Intra-District Funds</b>						
<b>Intra-District Fund</b>	1	5	38	38	-1	-2.3
<b>Total for Intra-District Funds</b>	1	5	38	38	-1	-2.3
	490	510	600	612	11	1.9

This lists the agency's FTEs for two prior years, the current year, and upcoming fiscal year by fund type.

00 represent mission funding in Office. A decrease of \$20,000 is for FY 2004 gap closing measures and \$10,000 is for OSH transfer.

**Special Purpose Revenue Funds.** The proposed budget is \$20,770,904, a decrease of \$1,034,646 from the FY2003 Approved Budget of \$21,805,540. There are 152 FTEs funded by Special Purpose sources, representing a decrease of 5 FTEs from FY 2003. Funding sources are \$5,000,000 from the worker's compensation trust fund, \$12,370,904 for the administration of the worker's compensation, \$1,000,000 for penalties and interest from the unemployment insurance fund, and \$2,400,000 from the "Read Act Fund".

Changes from the FY 2003 Approved Budget are:

- An increase of \$1,102,174 in regular pay, regular pay other, and fringe benefits fringe benefits to support the annualized effect of 4 percent salary increase effective January 2002, and 4 percent effective April 2003 based on the negotiated pay increases.

- An increase of \$64,595 in overtime pay to fund the expected overtime payments in FY 2004.
- A reduction of \$63,055 serves as a reallocation to overtime pay to cover the expected overtime payments in FY 2004.
- An increase in subsidies and transfers of \$20,000 to provide support for salary adjustments in personal services.
- An increase of \$10,750 in supplies to support 10 positions in personal services.
- A net increase of \$551,995 in fixed costs to support the local portion of the recommended CRRM estimates.
- A reduction of \$2,380,354 in other services represents the exclusion of \$2,000,000 in Surcharge budget (budgeted in this category in FY 2003) and reduction of Interest and Penalties budget from \$2,000,000 to \$1,000,000. This decrease has been offset by

**Special Purpose Revenue Funds**

This discusses funding associated charges for services that are retained by the agency to cover the cost of the service provided (i.e. refuse collection fees).



The proposed budget is \$40,241,551, a decrease of \$5,705,903, from the FY 2003 approved budget of \$45,947,454. There are 387 FTEs funded by Federal sources, representing an increase of 22 FTEs over FY 2003. The FY 2004 budget for

**Federal Funds**  
This identifies funding (usually in the form of grants) provided by the Federal government to support federally mandated programs, such as Medicaid. These funds are earmarked for a particular purpose or program and cannot be reallocated to other programs.

- An increase of \$90,050 in overtime pay to cover expected overtime payments in FY 2004.
- A reduction of \$4,624,731 in other services due to the reduction of Federal funding in FY 2004.
- A reduction of \$3,500,663 in subsidies and transfers due to the reduction of Federal funding in FY 2004.
- A reduction of \$322,342 in equipment due to the reduction of Federal funding in FY

**This describes funding for services provided by one District agency to another.**

reflect the decline in federal grants for FY 2004.

The agency does not anticipate receiving private funds in FY 2004, a decrease of \$109,000 from FY 2003. Historically, funding was derived from various sources to support the summer youth program. However in FY 2004, no legislation is planned to support the obligation of private funds for summer youth program.

The proposed budget is \$7,400,000, a decrease of \$409,114 from the FY 2003 approved

get of \$7,809,114. There are 38 FTEs funded by Intra-District sources, which represents a decrease of 1 FTE from FY 2003. Memoranda Of Understanding (MOU) provide \$650,000 from DHS to provide critically needed employment services to Temporary Assistance to needy Families (TANF) and \$500,000 from the Office of Risk Management for Hearings and mediation services for the Disability Pension Program.

up- Changes from the FY 2003 Approved  
et are:

- |   |  |  |
|---|--|--|
| <p>in increase of \$703,390 in regular pay and fringe benefits; a reduction of \$52,200 in additional gross pay; a reduction of \$500,758 in regular pay – other to provide funding for positions filled on permanent basis. The remainder is to fund the annualized effect of pay increases approved for union employees effective April 2003.</p> | <ul style="list-style-type: none"> <li>• An increase of \$5,000 in overtime pay to cover expected overtime payments in FY 2004.</li> <li>• An increase of \$2,200 in supplies to meet the agency needs.</li> <li>• A net increase of \$1,000 to align the agency commendation.</li> <li>• Reduction of \$1,000 in subsidies and to meet the decrease in District funding.</li> </ul> | <p><b>Programs</b><br/>This summarizes the agency provides. A and their funding level. This section also dis</p> |
|---|--|--|

**This summarizes the programs and services that the agency provides. A description of the various divisions and their funding levels within the agency is included. This section also discusses major program initiatives.**

The Department of Employment Services operates the following programs:

A diagram showing a sequence of 100 dots arranged in a grid. The dots are arranged in 10 rows and 10 columns. The first row has 10 dots, the second row has 9 dots, and so on, down to the tenth row which has 1 dot. This represents the sequence of natural numbers from 1 to 100.

The Labor Standards program provides worker protection and dispute resolution services.

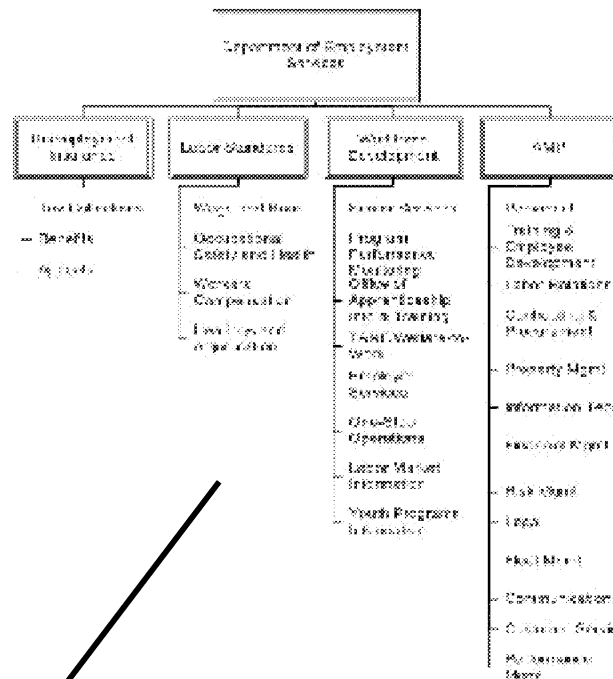
**This describes funding associated with private donations and grants that are retained by the agency.**

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**This provides an overall budgeted funding level and number of approved full-time equivalent employees (FTEs) for FY 2003 to FY 2004 for specific programs (PBB only)**

Figure CR0-1  
Department of Employment Services



the safety of the workplace is ensured. In FY 2002, Labor Standards successfully transitioned

**Program chart**  
The agency's program chart displays the structure of the agency. The chart shows the name of the program areas within the agency. Each agency has at least one program area.

safety and health Risk Management on proactive risk and to concrete program also complete subject to fully automatic. Completion of 2004. The Labor

enforcement of the District's wage-hour laws for the benefit of private sector employees, assuring that private sector employees are paid at least the mandated minimum wage, overtime (when required), and all earned and promised wages.

Occupational Safety and Health (OSH) provides inspections, consultations, investigations, training, and program assistance to private sector

employees so that they can identify and correct hazardous and dangerous workplace conditions.

Workers Compensation provides claims processing, informal dispute resolution, insurance coverage compliance monitoring and related services to private sector injured workers, employers, insurance carriers and other stakeholders in

order to provide table compensation to persons sustaining

Hearings and administrative and the District responsibilities and according to

#### Key Initiatives

##### Standard program areas

- Complete implementation of the Workers' Compensation web-based information system

#### (Not Shown)

The performance accountability plan articulates the goals of each agency and includes performance measures to demonstrate progress against these goals.